



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

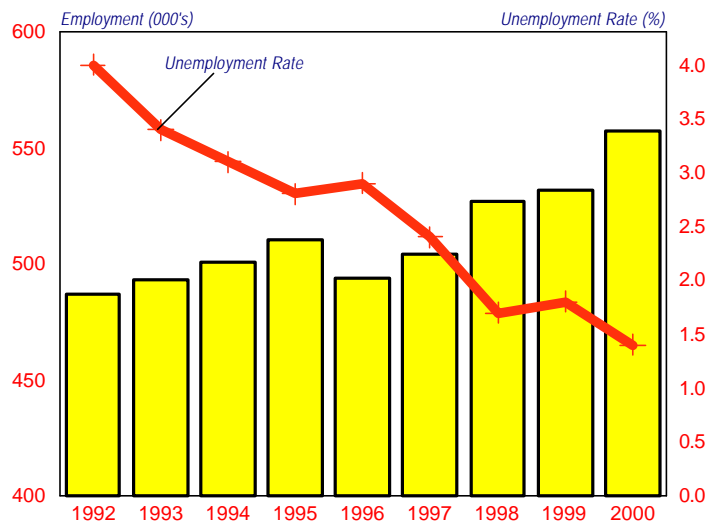
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SEPTEMBER HIGHLIGHTS

- ❑ August unemployment in Fairfax County increases marginally to 1.4 percent.
- ❑ Homes sales data through August show that sales volume is declining for new homes but rising for existing homes, and median sales prices are rising.
- ❑ New dwelling permits are still lower than last year's levels, but repair and alteration permits are showing strong growth.
- ❑ September Sales Tax receipts for Fairfax County are up 5.7 percent over last September.
- ❑ Consumer Confidence rose 0.8 percent in September, indicating that consumers remain in an upbeat mood.
- ❑ In September, the Fairfax County Coincident Index declined while the Leading Index rose, but both the Metropolitan Coincident Index and Leading Index rose. Despite the slight decline in the Fairfax Coincident Index, the local economy remains strong.
- ❑ According to Dr. Stephen Fuller, the number of jobs in Fairfax County is increasing at an annual rate of 5 percent, while the population is only increasing 1.7 percent annually. These statistics suggest Fairfax County is a rising employment center.

RESIDENTIAL EMPLOYMENT - AUGUST



Source: Virginia Employment Commission
Compiled by the Fairfax County Dept. of Management and Budget

According to the Virginia Employment Commission (VEC), the August unemployment rate for Fairfax County rose to 1.4 percent from 1.3 percent in July. That rate is 0.4 points lower than the August 1999 rate of 1.8 percent.

Statewide, the August unemployment rate remained unchanged from July at 2.6 percent. That rate is the lowest August unemployment figure since 1968.

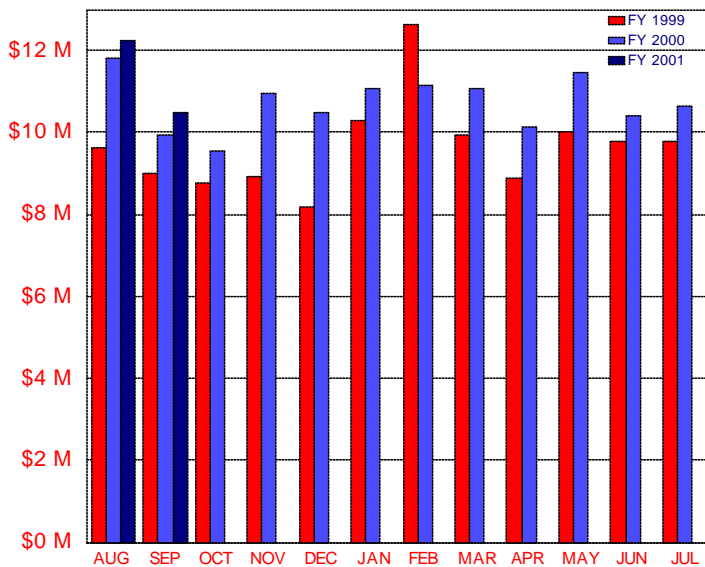
The VEC suggested that there was no change between July and August this year because the July rate was unusually low and there were few late summer manufacturing furloughs this year in August. The State's labor force dropped by 0.7 percent in August as student workers left summer jobs to return to school. According to the VEC, September unemployment should be similar to August. After starting fall classes, students often seek after-school employment. The student job seekers can cause as much as a 0.1 percentage point increase in September unemployment. Beyond September, the unemployment rate usually trends down in preparation for the holiday season.



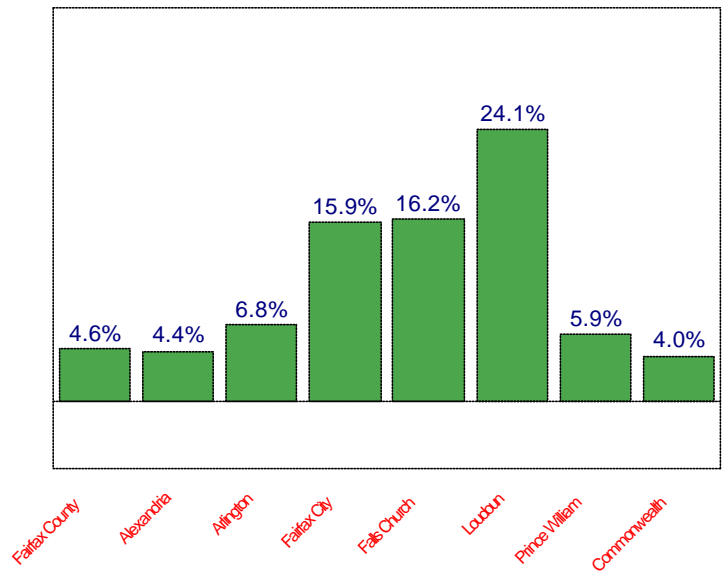
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



SALES TAX REVENUES*(revenues represent retail sales two months prior)*

Source: Virginia Department of Taxation
 Compiled by the Fairfax County Dept. of Management and Budget

**FY 2001 SALES TAX RECEIPTS
IN AUGUST AND SEPTEMBER**

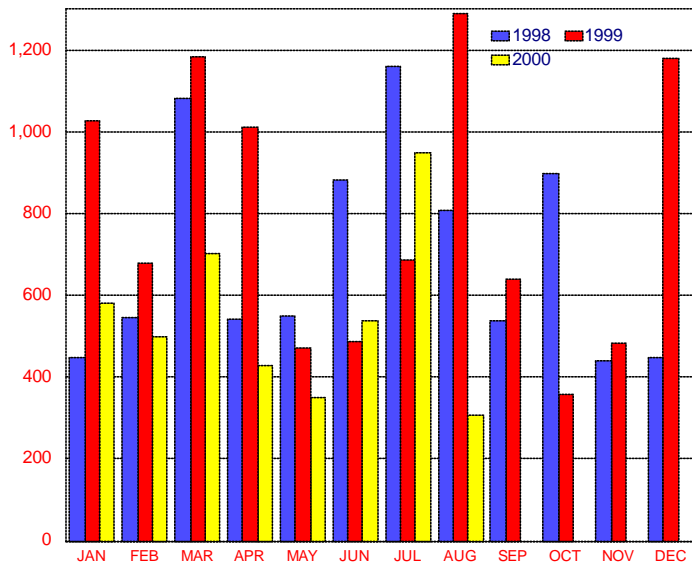
Source: Virginia Department of Taxation
 Compiled by the Fairfax County Dept. of Management and Budget

September Sales Tax receipts for Fairfax County, representing retail purchases made in July were \$10.5 million, an increase of 5.7 percent over September 1999. Fiscal Year to date, Sales Tax receipts are 4.6 percent higher than the same period last year.

Nationally, seasonally adjusted advance retail sales estimates for August are up 0.2 percent over July, and up 7.0 percent over August 1999, according to the Commerce Department. Durable goods sales are unchanged from July, but are 4.5 percent above the same month last year. Furniture sales are up 6.6 percent from August 1999, and automobile sales rose 3.3 percent during the same period. June nondurable goods increased 0.3 percent from July and 8.9 percent from August 1999. Gasoline sales are up 16.6 percent from August a year ago, while drug stores sales are up 10.6 percent from last year.

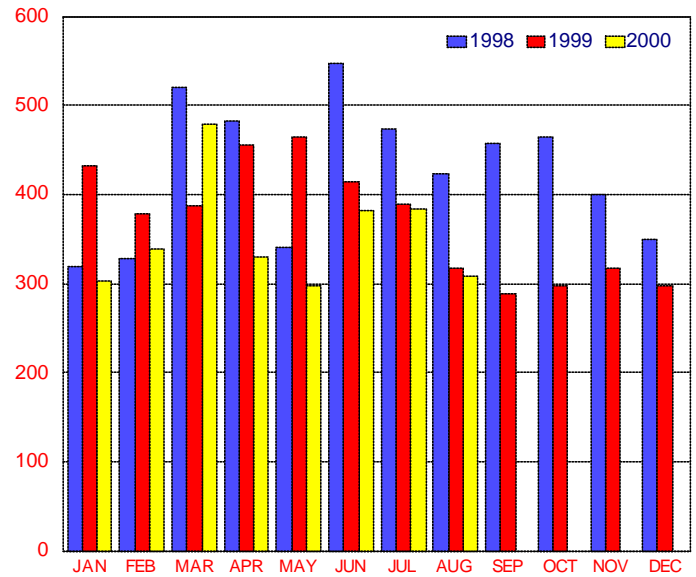
During the first two months of FY 2001, Sales Tax receipts in some jurisdictions show signs of slowing. Growth in Loudoun County is still strong at 24.1 percent over the same period in FY 2000. Falls Church and Fairfax City have also experienced double-digit growth in the first two months of the fiscal year while other jurisdictions have experienced much more moderate growth. Sales Tax receipts for the first two months of FY 2001 are 6.8 percent in Arlington, 5.9 percent in Prince William, 4.4 percent in Alexandria, and 15.9 percent in Fairfax City. Sales Tax receipts are up 4.0 percent Statewide over the same period last year.

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW DWELLINGS



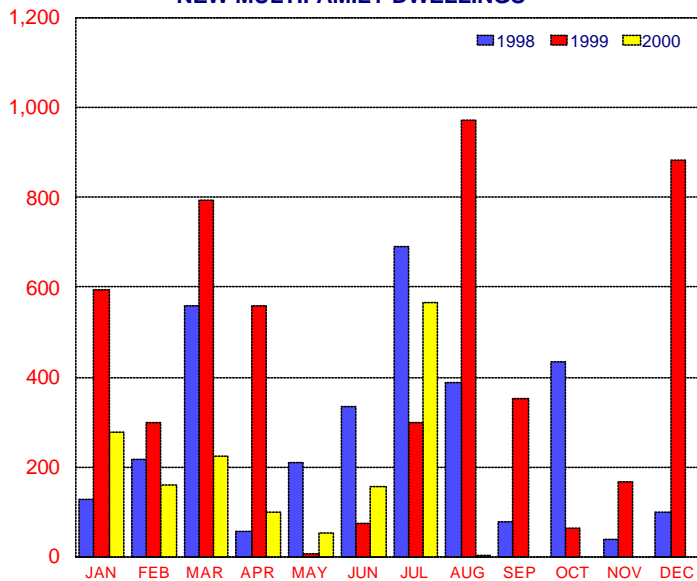
Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW SINGLE FAMILY DWELLINGS



Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW MULTIFAMILY DWELLINGS

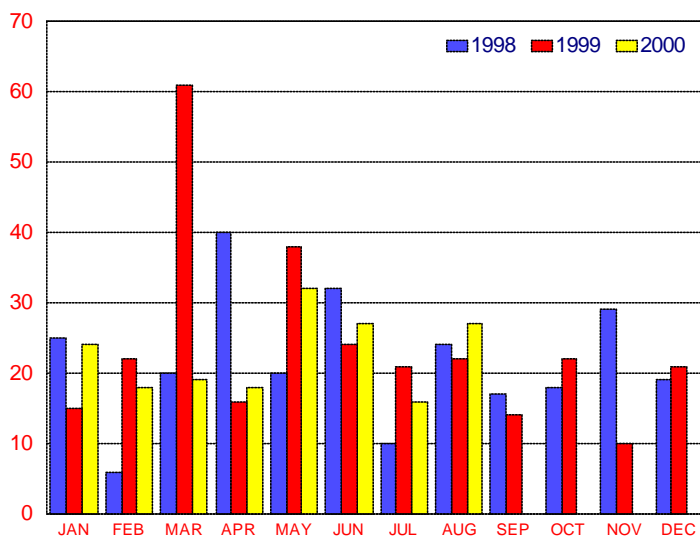


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Continued weakness in the multifamily segment is responsible for negative year-to-date growth in new residential dwelling permits. Through August, new residential dwelling permits are down 36.3 percent, or 2,481 permits. Multifamily permits are down 57.3 percent, or 2,063 permits, while single family permits are down 12.9 percent, or 418 permits, over the same period.

However, residential repair and alteration permits continue to show strong year-to-date growth. Through August, issues of residential repair and alteration permits have increased 47.8 percent, or 4,417 permits, over August 1999.

NUMBER OF NONRESIDENTIAL BUILDING PERMITS NEW STRUCTURES

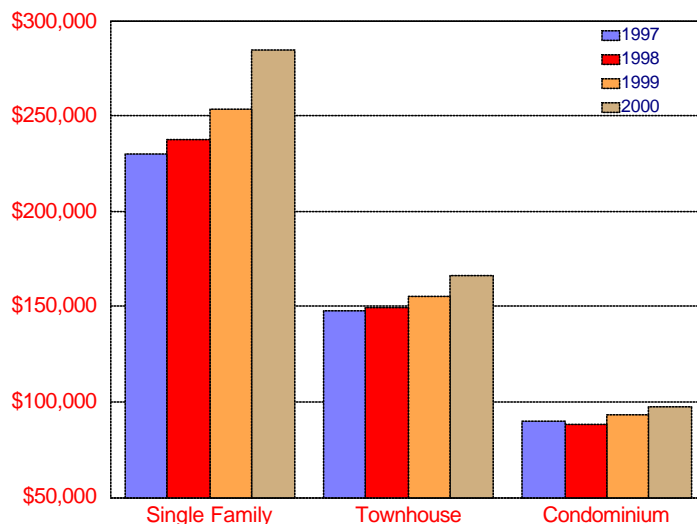


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Nonresidential building permits issued through August are down 17.4 percent, or 38 permits, from the same period in 1999. Nonresidential repair and alterations permits, however, are up 15.3 percent, or 429 permits, year-to-date.

HOME SALES IN FAIRFAX COUNTY

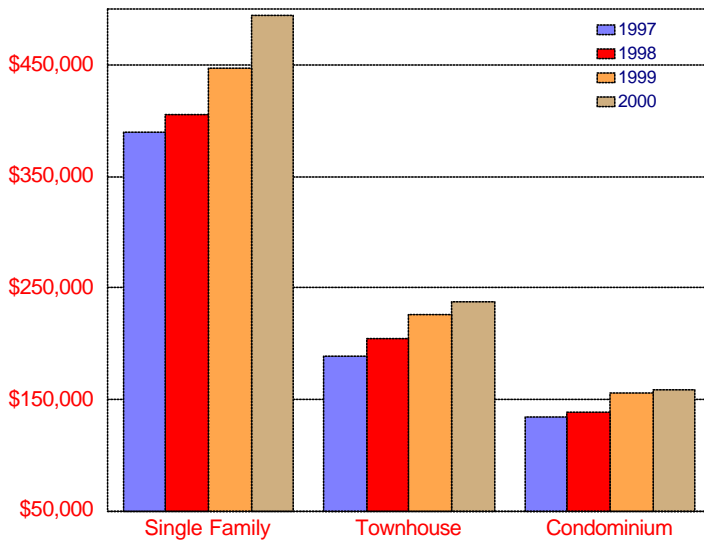
MEDIAN PRICE OF EXISTING HOMES SOLD JANUARY-AUGUST 2000 COMPARED TO ANNUAL MEDIAN PRICES 1997 - 1999



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

The median sales prices of existing homes in Fairfax County have experienced moderate to strong growth according to home sales data through the end of August 2000. The median for existing single family homes is \$285,000, compared to the 1999 median of \$253,625—growth of 12.4 percent. The median sales price for townhomes grew 7.4 percent from \$155,000 in 1999 to \$166,500 through August 2000. The median for condominiums increased moderately from \$93,000 to \$97,800, representing growth of 5.2 percent.

**MEDIAN PRICE OF NEW HOMES SOLD
JANUARY-AUGUST 2000 COMPARED TO
ANNUAL MEDIAN PRICES 1997 - 1999**



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Changes in selling prices, coupled with the volume of sales, are generally considered to be reasonable indicators of the County's real estate market. Median selling price increases do not translate directly into assessment adjustments, however, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. Changes in median selling prices are comparisons to the prices of homes sold during the prior year, and the type of homes sold (i.e., model, size, age, location, etc.) varies from one year to the next. The key factor in real estate assessments is not the change in the median sale price, but the relationship of assessments to the selling prices within neighborhoods.

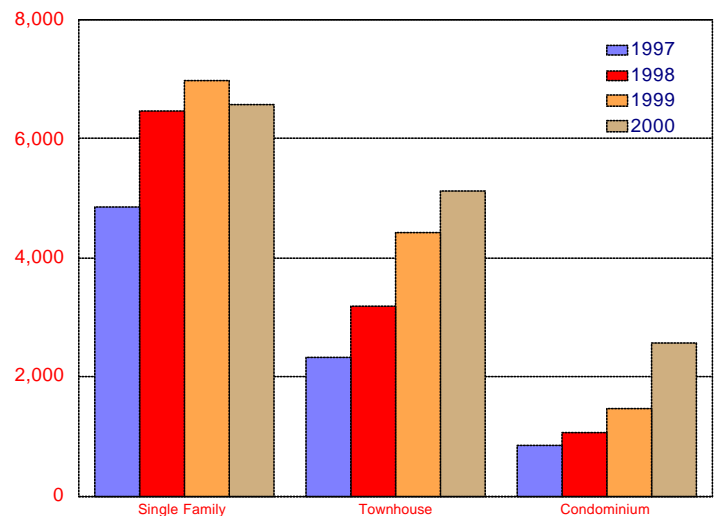
Growth in median sales price for new homes is strong for single family homes, moderate for townhomes, and weak for condominiums, according to sales data through August. The median sales price for a new single family home is \$494,156, an increase of 10.6 percent, or \$47,209, over the 1999 median. New townhomes have shown moderate growth in median sales price, increasing 4.9 percent from \$226,520 to \$237,667. Condominiums have seen slight appreciation, from \$155,155 to \$158,190—representing 2.0 percent growth, over the same period.

**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
YEAR-END 1999 COMPARED TO 2000 THROUGH AUGUST**

	Existing Sales	New Sales
Single Family	12.4	10.6
Townhouse	7.4	4.9
Condominium	5.2	2.0

Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

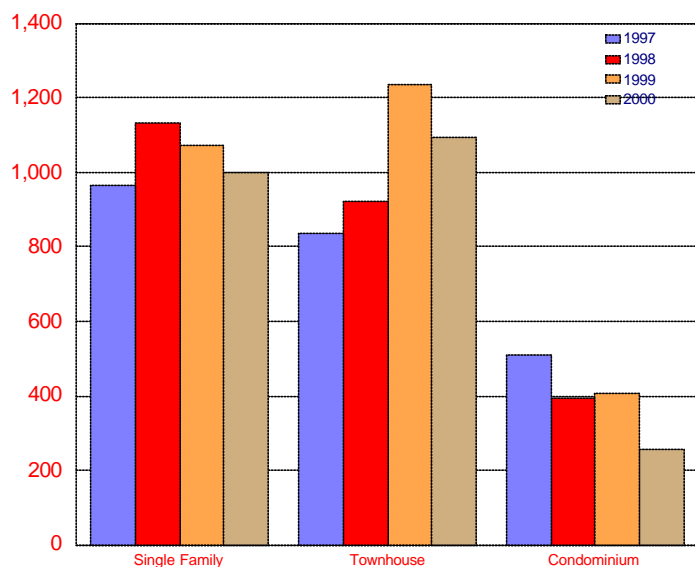
**NUMBER OF EXISTING HOMES SOLD
JANUARY-AUGUST 1997-2000**



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Existing condominiums and townhomes have shown strong growth in sales volume through August 2000 compared to the same period last year. Condominium sales are up 74.2 percent from 1,472 to 2,564, while townhome sales were up by 15.6 percent from 4,434 to 5,125. Existing single family home sales through August 2000 fell 380 units, or 5.5 percent, from 6,962 to 6,582.

NUMBER OF NEW HOMES SOLD JANUARY-AUGUST 1997-2000



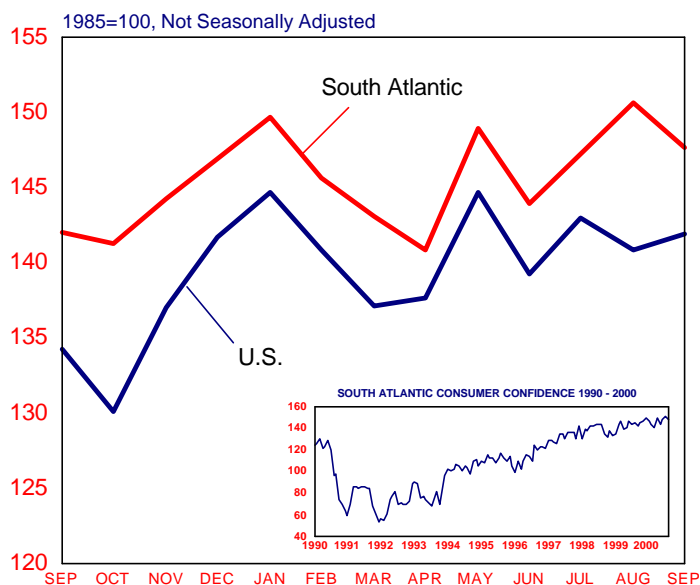
Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

New home sales volume through August remains down across all housing categories. New condominium sales have dropped from 409 in 1999 to 255 in 2000—a decline of 37.7 percent. Townhome sales have fallen 11.4 percent, from 1,235 to 1,094. The decline in new single family home sales was more moderate—a 6.8 percent drop from 1,074 to 1,001.

The Northern Virginia real estate market cooled a bit in July, due in part to depleted supply according to data from the Virginia Association of Realtors. July sales volume in Fairfax, Arlington, and Alexandria decreased 5.1 percent from July 1999, but homes that hit the market sold in near record time. The average home in those areas is on the market for just 25 days from listing to closing, compared to the Statewide average of 121 days. The short-term outlook for the Statewide real estate market is favorable, as there is typically a boost in activity around the start of the school year. Pending home sales in July 2000, which usually translate into sales within a month or two, were up 8.5 percent Statewide over July 1999, and up 14.5 in Fairfax, Arlington, and Alexandria.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDEX

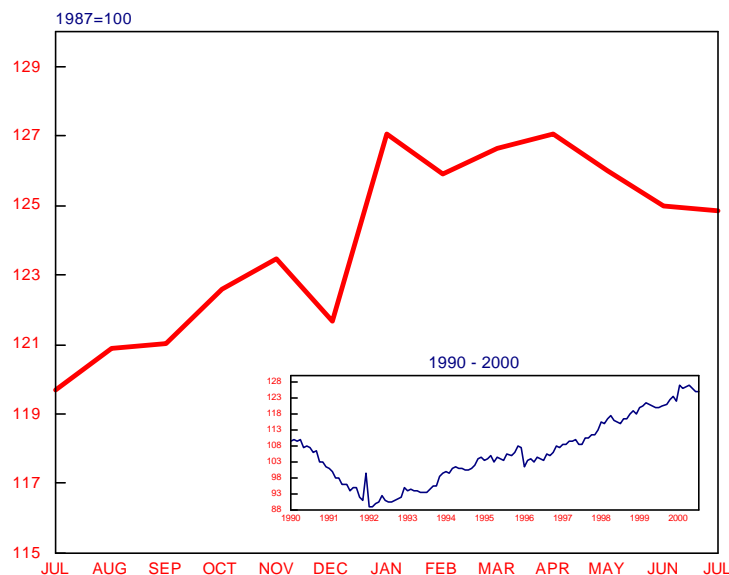


Source: Conference Board
Compiled by the Fairfax County Dept. of Management and Budget

The Conference Board's Consumer Confidence Index, which declined in August, rose slightly in September, from 140.8 to 141.9. Consumers' confidence in current economic conditions increased 0.9 percent over August, while their short-term outlook increased 0.7 percent. According to Lynn Franco, Director of The Conference Board's Consumer Research Center, consumers remain in an upbeat mood despite higher gasoline prices this summer and the prospect of higher heating oil costs this winter. The South Atlantic Consumer Confidence Index is 147.6 in September, a 2.0 percent decrease from August.

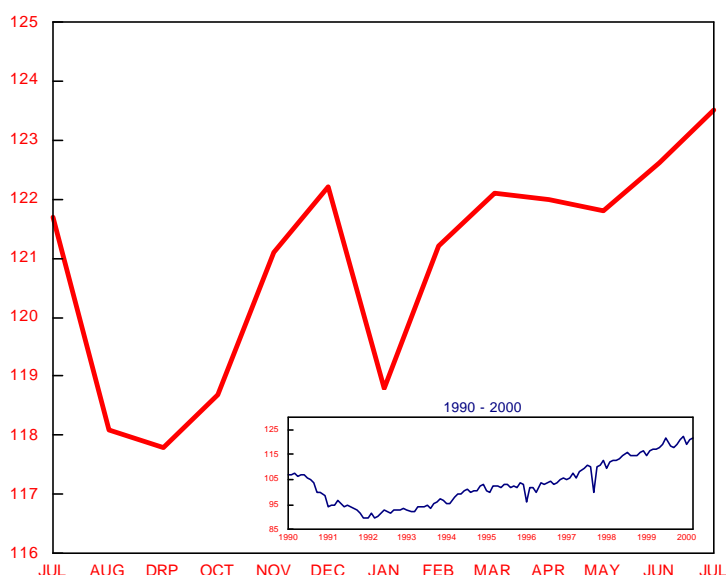
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

FAIRFAX COUNTY COINCIDENT INDEX



Sources: Mason Enterprise Center, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

METROPOLITAN COINCIDENT INDEX



Source: Mason Enterprise Center, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

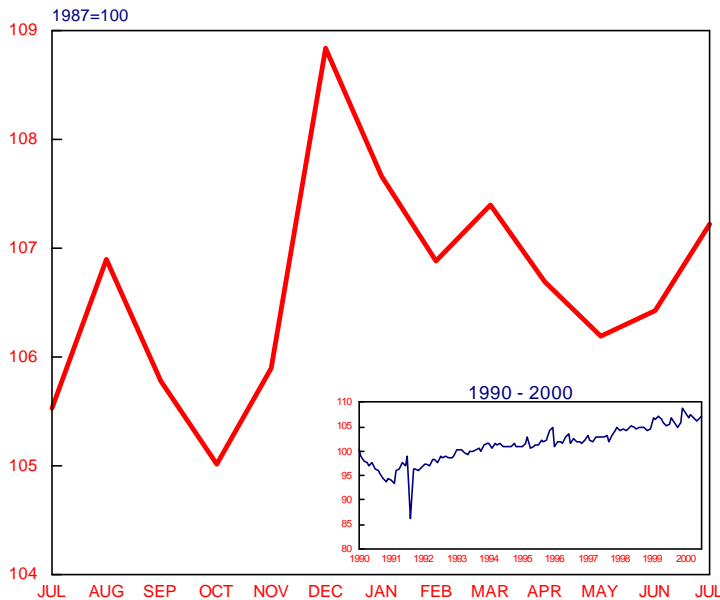
The Fairfax County Coincident Index, which represents the current state of the County's economy, decreased to 124.9 in July, a decline of 0.1 percent from June. This was the third consecutive monthly decline in the Index following gains in March and April. Still, the Index's value in July was 4.3 percent higher than July 1999. Two of the index's four components were negative this month. Transient occupancy tax collections, adjusted for inflation and seasonal variation, declined for the third consecutive month. Sales tax collections, adjusted for inflation and seasonal variation, declined following two monthly gains. Total employment grew, reversing a two-month decline, and has now been up in five of the year's first seven months. Consumer confidence also increased for the third month in a row.



The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 123.5 in July—a gain of 0.7 percent over June. This increase is the second in a row and the Index is now at its all time high. In July, three of the Index's four components were positive. Total wage and salary employment increased for the sixth consecutive month and for the tenth time in 12 months. Consumer confidence was up for the third month in a row, and domestic passenger volume at Dulles and Reagan Airports increased in July for the second straight month. Nondurable goods retail sales declined after having increased in May and June.

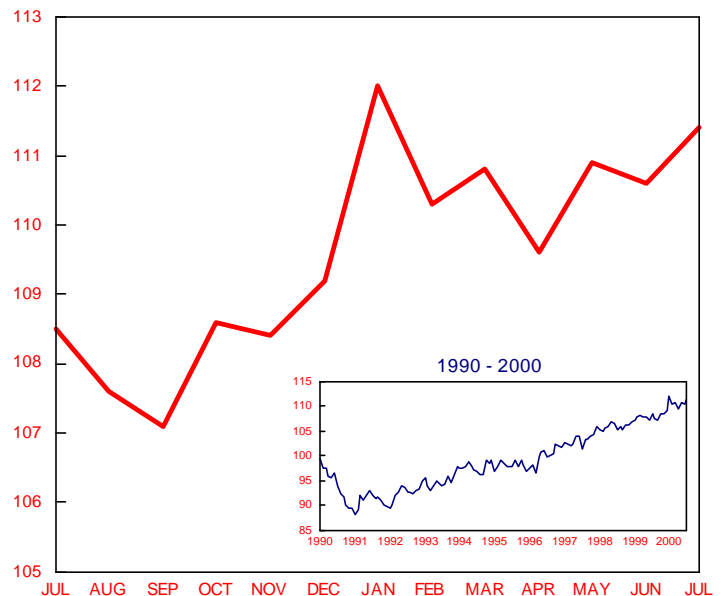


FAIRFAX COUNTY LEADING INDEX



Sources: Mason Enterprise Center, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

METROPOLITAN LEADING INDEX



Source: Mason Enterprise Center, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, increased in July to 107.2 for a gain of 0.7 percent over June. The Leading Index has been up for two months following two monthly declines, and is 1.6 percent higher than its July 1999 level. In July, three of the Index's five components contributed to its gain. Consumer expectations (consumer confidence six months hence) increased in July following a decrease in June. Residential building permits increased for the second month in a row after being down in March and April, and the total value of residential building permits increased for a second month following three consecutive decreases. Initial claims for unemployment insurance increased (worsened) in July for the third time in seven months. New automobile registrations declined for the second consecutive month and the third time in four months.

Fairfax
County

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, increased to 111.4 in July for a gain of 0.7 percent. Overall, the Index has gained 2.0 percent through the first seven months of the year and 2.8 percent over the past 12 months. Four of the index's five components contributed to its increase in July. Total residential building permits were up for the second consecutive month in July, reversing their negative trend from the beginning of the year. Consumer expectations (consumer confidence six months hence) increased slightly in July after being down sharply in June, and the Help Wanted Index increased for the second time in three months, although its trend is still down for the year. Initial claims for unemployment insurance declined (improved) sharply in July and have been down five times in the year's first seven months. Durable goods retail sales fell in July for the second consecutive month following four monthly gains.



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